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## FISCAL IMPACT REPORT

SPONSOR Griego DATE TYPED 3/10/05 HB \_\_\_\_\_

SHORT TITLE Soil and Water Commission Watershed Coordinator SB 690/aSCONC

ANALYST Aguilar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			\$60.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB 661

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Finance Authority (NMFA)

Energy, Minerals and Natural Resources Department (EMNRD)

Office of the State Engineer (OSE)

New Mexico Environment Department (NMED)

### SUMMARY

#### Synopsis of SCONC Amendment

The Senate Conservation Committee amendment to Senate Bill 690 changes the scope of a responsibility to be assigned to the watershed coordinator from **the use of** to **coordination with** the range improvement task force.

#### Synopsis of Bill

Senate Bill 690 provides for the Soil and Water Conservation Commission to establish a position for and appoint a watershed coordinator whose duties would include: establishing cooperative agreements between government agencies; coordinating landowner agreements; establishing a clearinghouse for statewide watershed information in cooperation with the Water Resources Research Institute; using the range improvement task force as the technical advisory group for watershed projects; increasing watershed education programs through the cooperative extension service and soil and water conservation districts; expanding opportunities for biomass use and

development and continue expansion of job development for watershed restoration projects.

### Significant Issues

As demand for water increases, the limited supply of water will necessitate improved methods of husbanding those supplies. Watershed improvement is one proposed method to better salvage and harvest water. Evaluations of the benefits from watershed improvements, though touted by many, are difficult to substantiate. The latest scientific evaluations of watershed improvement projects indicate that water salvage is usually much less than anticipated, especially in the long term. To ensure maximum benefit from expended funds, the legislature may wish to consider subjecting watershed improvement projects to rigorous scientific planning, review, and evaluation.

Section 9-5A-10 NMSA 1978 directs the Secretary of the Energy, Minerals and Natural Resources Department (EMNRD) to develop a comprehensive watershed restoration strategy that sets guidelines for coordination with state and federal land management agencies and political subdivisions, including the soil and water conservation districts and other stakeholders. As a result of this legislation, the responsibility for convening and stewarding the Forest and Watershed Health planning process was assigned to the State Forestry Division of EMNRD.

The Forestry Division notes a statewide committee was organized to collaboratively develop the plan. The New Forest and Watershed Health Planning Committee was comprised of representatives from a wide variety of governmental agencies (including the Soil and Water Conservation Commission and the New Mexico Association of Conservation Districts, citizen stakeholders and other experts involved in ecological restoration efforts across New Mexico. This planning effort represents an unprecedented collaboration among these diverse representatives, and the Forest and Watershed Health Plan has the full endorsement of the planning committee.

The Forestry Division further notes planning committee sessions resulted in the establishment of a consensus vision, guiding principles and specific recommendations to address the identified needs, which the public reviewed at town hall meetings around the state during the summer of 2004. The Plan has been sent to the governor's office for signature.

Efforts are currently underway to create a statewide office of watershed management that would coordinate the activities of all agencies involved in watershed protection, including the Environment Department; Energy, Minerals and Natural Resources Department; as well as the agencies listed in SB 690. The office of watershed management would have a broad and holistic mandate to improve watershed health, including range management, forest health initiatives, water quality improvement, etc. The planning discussions for this new office are a collaborative effort supported by the governor.

### **PERFORMANCE IMPLICATIONS**

At present the Soil and Water Conservation Commission has not established performance measures regarding the expenditure of funds for watershed health activities. The LFC in the interim noted issues related to the lack of performance accountability with regard to water related expenditures.

## **FISCAL IMPLICATIONS**

This bill directs the hiring of personnel yet does not provide a recurring appropriation to cover the costs of the position. It is estimated the cost of this employee would be approximately \$60 thousand including benefits. Other costs associated with this position are not included in the estimate.

## **TECHNICAL ISSUES**

A number of executive agencies as well as those specified in SB 690 have significant watershed oversight responsibilities. The legislature may wish to consider this position within the proposed office of water shed management and locate it within an executive agency.

The responsibility of the watershed coordinator to enter into cooperative agreements with federal agencies appears to conflict with existing law as provided in Section 68-2-6 NMSA 1978 which names the Forestry Division as the agent of the State to enter into agreements with federal and other agencies for forest conservation purposes.

A number of executive agencies as well as those specified in this bill have significant watershed responsibilities. It is not clear whether as provided for in HB 690, the soil and water conservation commission or its appointee is the appropriate governmental entity to supervise cooperative agreements between the state and federal agencies, political subdivisions or particularly Indian nations, tribes or pueblos. This interaction on the surface appears to be the function of the executive branch predominantly in government to government interaction with Indian entities. The legislature may wish to consider this position within the proposed office of watershed management within an executive agency.

**PA/yr**